



County of Los Angeles
CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

December 4, 2007

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**DEPARTMENT OF HEALTH SERVICES: REQUEST TO ACCEPT COMPROMISE
OFFER OF SETTLEMENT
(First and Second Districts) (3 Votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director of Health Services (Director) or his designee to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, for the following individual accounts for patients who received medical care at a County facility:

(1)	Account Number	LAC+USC – 4666582	\$96,000
(2)	Account Number	LAC+USC – 3869895	\$ 3,743
(3)	Account Number	H/UCLA – Various	\$ 7,500
(4)	Account Number	LAC+USC – 5593073	\$ 7,500

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The compromise offer of settlement for patient accounts numbers (1) – (3) are recommended because the patients are unable to pay the full amount of charges and the compromise offer represents the maximum amount the Department of Health

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

Services (DHS) will be able to receive under the legal settlement involved in these cases. The compromise offer of settlement for patient account number (4) is recommended because the patient cannot pay the full amount of charges based on his current financial status, and this is the highest amount he is able to contribute to settle the account. The best interests of the County would be served by the approval of these compromises, since it will enable DHS to maximize net revenue on these accounts.

Implementation of Strategic Plan Goals

The recommended action will satisfy County Strategic Plan Goal #4, Fiscal Responsibility.

FISCAL IMPACT/FINANCING

This will expedite the County's recovery of revenue totaling approximately \$114,743.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On January 8, 2002, the Board approved an ordinance granting the Director authority to reduce patient account liabilities when it is in the best interest of the County to do so. The ordinance was adopted by the Board on January 15, 2002.

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50 percent of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

Typically, recoveries in legal settlements are divided approximately into thirds, between plaintiff, plaintiff's attorney, and all medical lien holders, which would include the County's hospital lien. Factors that contribute to each party receiving more or less than one-third of the recovery include, the number of medical lien holders, the plaintiff's attorney retainer agreement, and costs accrued by plaintiff associated with the legal process.

The compromise of these accounts is not within the Director's authority, so the Director is requesting Board approval of these compromises.

Honorable Board of Supervisors
December 4, 2007
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IMPACT ON CURRENT SERVICES (OR PROJECTS)

Maximizing net revenues on these accounts will help DHS meet its budgeted revenue amounts.

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W. T. Fujioka', with a long horizontal stroke extending to the right.

WILLIAM T FUJIOKA
Chief Executive Officer

WTF:SRH:SAS
DRJ:At:lbm

Attachments (4)

c: County Counsel
Director and Chief Medical Officer, Department of Health Services

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: December 4, 2007

Total Charges	\$206,788	Account Number	4666852
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$206,788	Date of Service	8/5/06 – 9/8/06
Compromise Amount Offered	\$96,000	% Of Charges	46%
Amount to be Written Off	\$110,788	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile versus pedestrian accident and is confined to a wheelchair. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient charges of \$206,788 for medical services rendered. The patient was uncooperative in applying for Medi-Cal and thus, does not qualify for ATP. The patient's third party liability (TPL) claim settled for \$300,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees *	\$120,000	\$116,000	38.6%
Lawyer's Cost	\$520	\$520	.2%
LAC+USC Medical Center	\$206,788	\$96,000	32%
Other Lien Holders	\$1,070	\$1,070	.4%
Patient		\$86,410	28.8%
Total		\$300,000	100%

* Since the attorney had filed a lawsuit his retainer fee is 38.6%.

Based on the information obtained, it appears that the patient is unable to pay the full amount of charges and has no source of income, or personal or real property to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2
DATE: December 4, 2007

Total Charges	\$24,328	Account Number	3869895
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$24,328	Date of Service	1/27/06-1/31/06
Compromise Amount Offered	\$3,743	% Of Charges	15%
Amount to be Written Off	\$20,585	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient charges of \$24,328 for medical services rendered. The patient did not respond to numerous attempts made to contact the patient for financial and eligibility screening information. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement*
Lawyer's Fees	\$6,000	\$3,500	23.33%
Lawyer's Cost	\$464.63	\$464.63	3.10%
LAC+USC Medical Center	\$24,328	\$3,743	24.95%
Other Lien Holders	\$9,154.77	\$1,407.39	9.38%
Patient		\$5,884.98	39.24%
Total		\$15,000	100%

* 34.34% of the settlement was allocated to all lien holders – (24.95% to LAC+USC Medical Center and 9.38% to others).

Based on the information obtained, it appears that the patient is unable to pay the full amount of charges and has no source of income, or personal or real property to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3
DATE: December 4, 2007

Total Charges	\$56,021	Account Number	6778680/6898329
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$56,021	Date of Service	Various
Compromise Amount Offered	\$7,500	% Of Charges	13%
Amount to be Written Off	\$48,521	Facility	H/UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile versus pedestrian accident. As a result of this accident, the patient was treated at H/UCLA Medical Center and incurred total inpatient and outpatient charges of \$56,021 for medical services rendered. The patient is a minor enrolled in the Healthy Families Program. Since the Healthy Families Program is secondary coverage after insurance, we are pursuing this insurance settlement as primary reimbursement. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and the insurance carrier is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees*			
Lawyer's Cost*			
LAC+USC Medical Center	\$56,021	\$7,500	50%
Other Lien Holders			
Patient		\$7,500	50%
Total		\$15,000	100%

* The patient did not acquire an attorney in this case. The settlement offer came directly from the insurance carrier.

Based on the information obtained, it appears that the guarantor is unable to pay the full amount of charges and has no source of income, or personal or real property to meet her obligation to H/UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT**COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES****TRANSMITTAL No. 4
DATE: December 4, 2007**

Total Charges	\$31,306	Account Numbers	5593073
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$31,306	Dates of Service	3/11/07 – 3/14/07
Compromise Amount Offered	\$7,500	% of Charges	24%
Amount to be Written Off	\$23,806	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was treated at LAC+USC Medical Center and incurred total inpatient charges of \$31,306 for medical services rendered. The patient did not qualify for Medi-Cal or any of Los Angeles County's Low Cost/No Cost programs. Based on the information provided, it appears the patient does not have the financial means to pay the full cost of care and this is the highest amount he is able to contribute to settle the account. The current compromise offer is higher than potential Medi-Cal reimbursement and the County's variable cost.